



**Bethesda Downtown Sector Plan, Work Session #11**

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**Description**

**Bethesda Downtown Sector Plan: Work Session #11**

**Summary**

Work session #11 will be a continuation of work session #10 beginning with the presentation of the Affordable Housing recommendations for Downtown Bethesda followed by property owner zoning requests that were deferred by the Planning Board to a later work session and/or property owner zoning requests that came in after the close of the Public Hearing process and the close of the Record on July 2, 2015. Staff will also discuss the transportation sensitivity analysis prepared as a result of increases in density throughout the Plan during the previous work sessions with the Board.

## DISCUSSION

### *Vision*

In 2035, Bethesda residents will have a downtown that is a model for sustainability, accessibility, equity and innovation. There will be more affordable choices of housing in close proximity to jobs, shopping and recreation. They will safely walk and bike along shaded streets to stores and offices, past new energy-efficient buildings and familiar landmarks. New parks and open spaces will provide green, tranquil places for the residents, their families and friends to gather, socialize and relax. Nearby Metrorail and new Purple Line stations will be quickly reached via green corridors that line streets and sidewalks to meet the needs of both the residents and visitors to Downtown Bethesda.

This vision stems from the goals and recommendations within this Sector Plan to enhance Downtown Bethesda over the next 20 years. The aim of the Plan is not to radically transform the community but to achieve a truly sustainable downtown through incremental measures addressing its economic, social and environmental future.

### *Planning Framework*

#### Overarching Goals:

Specifically, the Bethesda Downtown Sector Plan builds on the past successes of Downtown Bethesda to create a truly sustainable downtown by focusing on recommendations to increase:

- **Affordable Housing**
- Parks and Open Space
- Environmental Innovation
- Economic Competitiveness

#### Strengthened Centers of Activity:

Bethesda is distinguished by multiple downtowns within its greater Downtown. Identified in Chapter Three are nine districts, including the established centers of the Wisconsin Avenue Corridor, Bethesda Row and Woodmont Triangle; emerging centers of the Pearl and Arlington South Districts; and residential and edge districts of Battery Lane, Eastern Greenway, South Bethesda and Arlington North. The Plan explores ways to strengthen these centers of activity through the economic, social and environmental aspects of sustainability.

### **Affordable Housing Recommendations**

The Sector Plan envisions Downtown Bethesda as a place consisting of a well-rounded community of residents and workers who contribute to the health and vitality of the downtown. However, its attractiveness as a place to live, the ambience of street life, shops, and restaurants, and the proximity to employment and Metro – has resulted in housing costs increasingly out of reach for most residents across Montgomery County.

Over the next 25 years, Downtown Bethesda is anticipated to grow at a faster rate than Montgomery County as a whole, with households projected to increase by 28 percent, population by 24 percent, and employment by 40 percent. As housing demand continues to increase as a result of this growth,

Bethesda's high housing costs will become even more cost-prohibitive for most Montgomery County residents to reside there. Monthly homeowner costs in the Bethesda Downtown Plan Area Study area currently average around \$4,660, which is two-thirds higher than the County. The average rent in this area is \$1,916<sup>1</sup>, which is about 20 percent more than the average rent for the County. Furthermore, newly built residential apartments typically rent for \$2,750<sup>2</sup>, which is 30 percent more than the Study area and over 40 percent more than the County.

Along with high housing costs, Downtown Bethesda also continues to have a shortage of committed affordable housing. Of the 4,669 multifamily rental apartments in the Bethesda Downtown Study Area, only 826 (17.69 percent) are rent-restricted as defined by MPDU requirements, Low-Income Housing Tax Credits, or public subsidies<sup>3</sup>. There also exists about 1,992 "market-affordable"<sup>4</sup> rental apartments in Bethesda—apartments whose market rents fall within affordable income levels due to their age or limited amenities – but given Bethesda's high land values and overall desirability, these rents have the potential to increase considerably. Thus, absent special efforts, there will be a continuing shortfall of new units to meet the needs of moderate-to-lower income households that require the services or are employed by retail establishments in Bethesda.

- A. *Goal:* Preserve existing market-rate affordable housing, provide a mix of housing options and increase the provision of Moderately Priced Dwelling Units in exchange for development incentives.

Recommendations:

- Minimum 15% MPDUs for residential development within the High Performance Area in Downtown Bethesda.
- Preserve existing market-rate affordable housing by identifying these sites as Priority Sending Sites for density averaging. Affordable Housing sending sites that choose to transfer their density must enter into a rental agreement to retain 30% of their existing affordable housing units, defined as 65 percent of Area Median Income (AMI) or below, for 20 years.

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<sup>1</sup> 2012 Rental Housing Survey, Montgomery County Department of Housing and Community Affairs

<sup>2</sup> Based on rents at comparable new apartments in Bethesda

<sup>3</sup> Such units are typically required to be affordable to households with an income below 65 percent of AMI (Area Median Income), or about \$70,000 for a household size of 4.

<sup>4</sup> Market-Rate rentals are defined as affordable if their rent price plus expected tenant-paid utility costs are no more than 30 percent of household income.

## Transportation

As a result of the Planning Board's work sessions on the Plan's land use vision through February 5, 2016, an additional 2,873,528 square feet of gross square footage has been tentatively added to the plan area beyond the land use density recommended in the Working Draft. This increase over the Working Draft vision raised concern that additional density may jeopardize implementation of the plan. As a result, staff outlined several points for the Board to consider as additional land use increases were discussed in subsequent work sessions. Those points included:

- Additional traffic analyses may be required by the County Council if the Planning Board Draft land use density is substantially different from that evaluated in the Working Draft.
- Staff may need to identify vehicular capacity improvements within the limits of the Downtown Plan area if the Planning Board land use density exceeds the anticipated 2040 transportation capacity. Currently, the Working Draft does not require, and staff does not recommend, any intersection improvements specifically designed to add automobile capacity within the Plan area due to the negative impact such improvements have on the built environment including mobility, safety, and comfort for pedestrians and bicyclists.
- Operational scenarios, such as the one-way/ two-way street conversion and Arlington Road "road diet" may not be feasible with increased vehicular traffic demand.
- From a regulatory perspective, adding more land use density than the transportation network can accommodate could also leave development potential "on the table" for potential developments unable to mitigate intersection congestion to the applicable CLV.

In short, the increased density is problematic in that it results in a plan that – at a minimum – is less in balance (and perhaps not in balance) and could at theoretically require retaining the existing one-way circulation patterns at the expense of realizing this Plan's recommendations. Furthermore, the increased density may require changes to intersections that conflict with goals for enhanced non-auto access to and from a thriving CBD.

## February 2016 Transportation Sensitivity Test Methodology

In an attempt to bring the Board's increased density closer to the density recommended in the Working Draft, the Planning Board directed staff to evaluate a maximum future development total of 33.8M GSF. The February 2016 sensitivity test included a new analysis of the regional traffic model with the same ratio of Jobs-to-Households (J/HH), tested as part of the Working Draft traffic analysis, increased proportionally to the 33.8M GSF scenario. Due to the interim nature of the requested analysis (an in-process plan), the February 2016 analysis did not go into the same level of detail as the Working Draft analysis for either conceptual intersection improvements or operational analysis using the Synchro tool. This methodology can best be characterized as a sensitivity analysis of the most congested intersections within the Bethesda Downtown study area so the Board can make informed decisions about the potential for increased density as the Plan moves forward. Additional traffic analysis will likely be required for any increased density beyond the 32.3M GSF recommended in the Working Draft before the plan is transmitted to the District Council. Staff will present its findings to the Planning Board and

provide options and recommendations at the request of the Planning Board for their use in making informed decisions regarding future density discussions on the Plan.

**CONCLUSION**

Following the April 28, 2016 work session, staff will summarize the affordable housing decisions recommended by the Planning Board as well as the property owner zoning requests. The Planning Board's decisions on the property owner zoning requests will be posted one week prior to the next work session.

**Attachments**

Property owner zoning requests spreadsheet

Recent Correspondence between March 30, 2016 – April 20, 2016

